



Press Release

**Congressman John Conyers, Jr.
Michigan, 14th District**



**Ranking Member, U.S. House
Judiciary Committee
Dean, Congressional Black Caucus**

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For Immediate Release:
April 21, 2005

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Conyers Asserts Role For Antitrust In Telecommunications

Washington, Dc; Congressman John Conyers, Jr., Ranking Member of the House Judiciary Committee, delivered the following statement, Wednesday evening at a hearing before the House Judiciary Committee on recent developments in telecommunications:

“I want to thank the Chairman for calling this timely hearing. Telecommunications is one of the most critical areas of our economy, and one of the most important areas of our Committee’s jurisdiction.

As we stand here today, telecommunications is at a cross roads. In 1996, we had separate markets in local, long distance and cable, protected from each other by law. We passed landmark legislation designed to deregulate cable and local telephone companies and encourage competition, not only between these sectors, but new competitors as well.

As the Committee meets, we are forced to come to grips with the facts on the ground, not the promises of the 1996 Act. Cable is facing increasing competition from satellite. Local is facing a measure of competition from cable, wireless and VOIP [voice over internet protocol]. Every one is trying to gain the edge in the all important broadband market.

We have gone from seven Bells and GTE to four, several major wireless companies have been eliminated by merger, and Lucent has shriveled to a mere shadow of its former incarnation as Western Electric and Bell Labs.

Against this backdrop and in this unique context, I am forced to revisit my traditional scepticism of large mergers, such as SBC’s pending acquisition of AT&T, and Verizon’s pending merger with MCI. At one time, such combinations would have been unthinkable from an antitrust perspective.

However now, with long distance essentially eliminated as a viable market, I believe we need to focus on the fact that these mergers may enable the combined companies to compete more effectively, not only against the cable, wireless, and satellite industries, but against formidable foreign competitors with massive economies of scale and which in some cases benefit from unfair subsidies. Even more important, these combinations may be our last, best chance of preserving high paying, high benefit jobs in the United States.

At the same time, it is essential that we make sure the antitrust laws and antitrust remedies remain in place against all elements of the telecommunications industry, notwithstanding misguided court opinions, such as the *Trinko* decision

For more than one century, the antitrust laws – our economic bill of rights -- have provided the ground rules for fair competition, culminating in the historic break up of Ma Bell in 1984. Now that the role of the regulators appears to be receding, antitrust law is more needed than ever to preserve fair competition and innovation. Those principles are as true today as they were at the time of the Sherman Act and the Clayton Act.

I look forward to hearing from today’s witness, and to continuing the Committee’s involvement in this area.”

##109-JUD-042105##